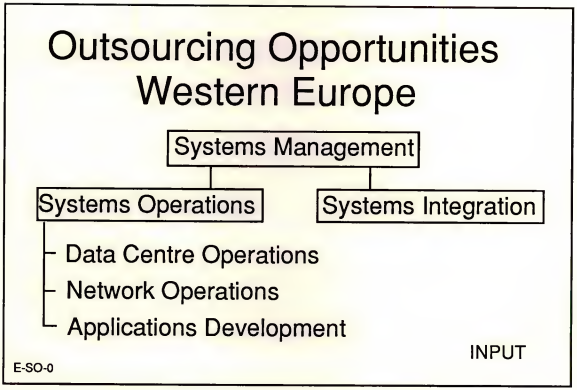

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Systems Operations, Western Europe

Industry Markets

	1990 Market ($ Millions)	Percent of Total
Process Mfg.	285	23
National Gov't.	245	19
Discrete Mfg.	225	18
Local Gov't.	185	14

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E-SO-2

Notes

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Systems Operations, Western Europe

Leading Vendors 1990

	Market Share (Percent)	Est. Revenues ($ Millions)
CGS	11	145
EDS	10	132
AT&T Istel	6	78

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E-SO-3a

Notes

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Systems Operations, Western Europe

Leading Vendors 1990

	Market Share (Percent)	Est. Revenues ($ Millions)
GSI	5	64
SD Scicon	5	59
Finsiel	4	57

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E-SO-3b

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Systems Operations, Western Europe

Country Market Sizes, 1991

Country	$ Millions	Market Share (%)
U.K.	490	32
France	400	26
Italy	200	13
Rest of Europe	430	30
W. Europe	1,520	100

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E-SO-4

Notes

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Systems Operations, Western Europe

Market Forecast

Country	$ Millions 1991	1992	CAGR (%)	1996
France	420	490	21	1,050
Germany	100	115	20	240
U.K.	490	575	21	1,245
Italy	200	235	19	485

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E-SO-5

Notes

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Leading Systems Operations Vendors, 1990

France

Company	Mkt. Share (%)	Revenues (FF M)
GSI	16	300
GFI	15	280
EDS	13	240
Axone	11	200
Cisi	8	140

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E-SO-6

Notes

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Leading Systems Operations Vendors, 1990

Germany

Company	Market Share (%)	Revenues (DM M)
EDS	30	40
Debis	15	20
IBM	13	18
Alldata	11	15
Digital	7	10

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E-SO-7

Notes

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Leading Systems Operations Vendors, 1990

United Kingdom

Company	Mkt. Share (%)	Rev. (£ M)
Hoskyns	24	70
AT&T Istel	14	40
Data Sciences	8	22
EDS	5	16
Sema Group	5	15

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E-SO-8

Notes

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Leading Systems Operations Vendors, 1990

Italy

Company	Market Share (%)	Revenues (Lira B)
Finsiel	35	70
IBM	9	18
EDS	8	15
CDS/Concept	6	12
Cerved	5	10

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E-SO-9

Notes

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Leading Systems Operations Vendors, 1989
Italy

Company	Market Share (%)	Revenues (Lira B)
Finsiel	35	60
CDS/Concept	9	15
Cerved	6	10
Sarin	4	6
Datitalia	2	4

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Notes

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Systems Operations, Western Europe

Major Projects

Andersen Consulting	Value ($ Millions)
DRG—5-year—IBM Data Centre + 30-site network	36
Yorkshire Health Authority	23

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E-SO-10

Notes

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Systems Operations, Western Europe

Major Projects

Thorn EMI Datasolve	Value ($ Millions)
Cambridge County Council - IBM Data Centre + 40 staff	14
Casco Nobel - 7-year	10 Est.
Hertz - 10-year -IBM ops only	7 Est.

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E-SO-11

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Systems Operations, Western Europe

Major Projects

EDS	Value ($ Millions)
Lewis Group - 7 years for 10 stores	18
DSS - 2, 3 years each	18 each
Unilever - HQ + private voice network	10+

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E-SO-12

Notes

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Systems Operations, Western Europe

Major Projects

EDS	Value ($ Millions)
Saab	300
Midland Bank - 7 years, -200 staff transferred	NK

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Systems Operations, Western Europe

Major Projects

Hoskyns	Value ($ Millions)
BREL - 3 1/2 years	27
GLC - 3 years + 300 staff	76
Plessey - all internal IS	45 pa.

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E-SO-14

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Systems Operations, Western Europe

Major Projects

SEMA	Value ($ Millions)
DSS Swindon - 3 years	18
East Anglia Health Authority	27
Varity Corp.	65

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E-SO-15

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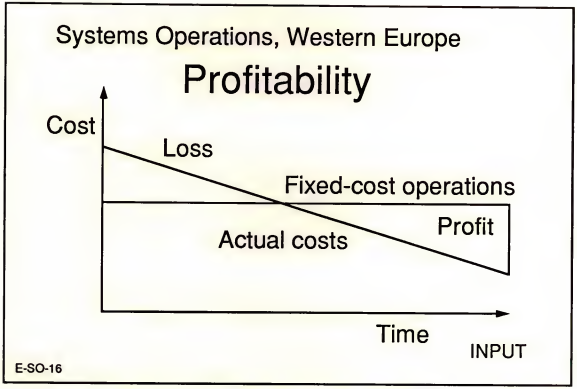

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Systems Operations, Western Europe

Major Projects
Process Manufacturing

User	Vendor	Value ($ M) pa.
DOW France	SG2	6
RegiLait	CISI	6
BP U.K.	SD-Scicon	1

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E-SO-17

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Systems Operations, Western Europe

Major Projects
Process Manufacturing

User	Vendor	Value ($ M) pa.
Jacobs Bakery	Hoskyns	6
Imperial Tobacco	Hoskyns	6
BP Netherlands	Hoskyns	3

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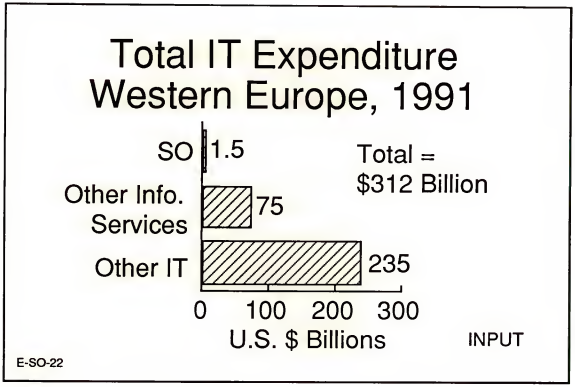

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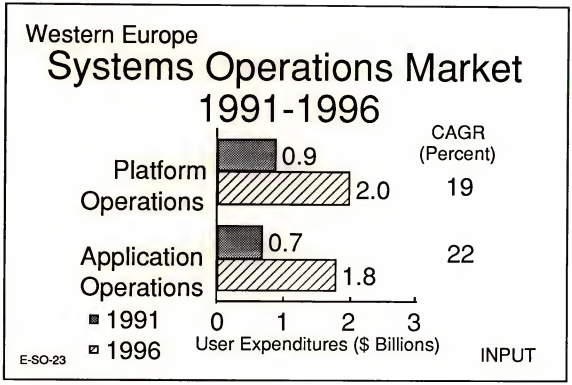

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Systems Operations

United Kingdom

1991- 1992 $490 million + 25%

1980s: Hoskyns developed dominant position

1990s: Applications management opportunity

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Systems Operations

European Country Markets

	$ Millions			
	1990	1991	CAGR (%)	1996
U.K.	420	490	21	1,245
France	325	400	21	1,030
Italy	160	200	19	480
Germany	80	100	20	240

E-SO-30

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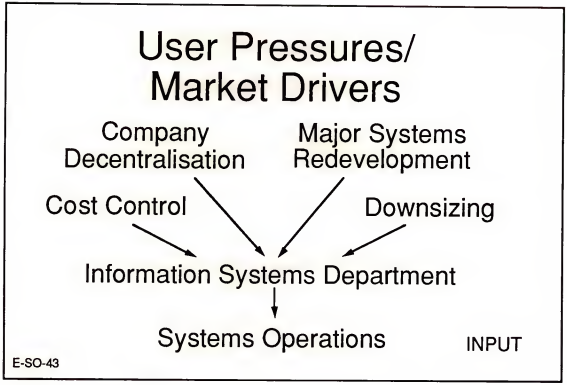

Notes

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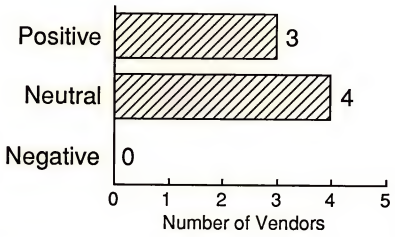
Systems Operations, Western Europe

Impact of Recession



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Systems Operations, Western Europe

Positive Aspects of Recession

- Companies become more cost-conscious
- Systems operations becomes more attractive to IS personnel

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Systems Operations, Western Europe

Negative Aspects of Recession

- Stagnation
- Discourages external spending
- Length of buying cycle increases

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Systems Operations, Western Europe

Competitive Situation

- Keen price competition
- Tendency to oversupply
- Major players moving to higher value-added offerings

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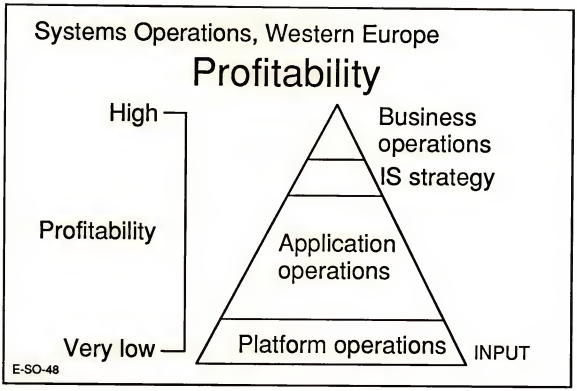

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Systems Operations, Western Europe

Causes of User Satisfaction/Dissatisfaction

Likes	Dislikes
Improvement in service levels	Minor operational service problems
Breadth of vendor expertise	Poor communication

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Systems Operations, Western Europe

Nature of Renewals

- Existing service levels crucial
- Users attempt to drive down costs
- Users more susceptible to total solution

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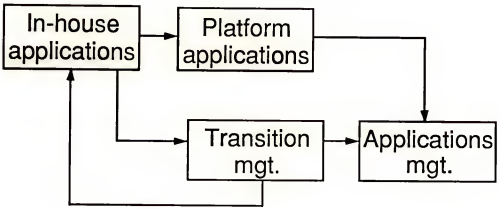
Systems Operations, Western Europe

Typical User Evolution



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Notes

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Systems Operations, Western Europe

Market Trends

- Increasing market for transition management
- AS/400s become subject to systems operations
- Development of existing client base

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Systems Operations Market Europe

Subsector	$ Billions 1991	'91-'96 CAGR (%)	1996
Platform Oper.	0.8	19	2.0
Application Oper.	0.6	22	1.8

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Impact of Recession on SO

	Percent of Vendors
Negative	0
Neutral	57
Positive	43

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Key Vendor Selection Criteria Systems Operations

- Industry knowledge
- Business consultancy skills
- Development capability
- Vendor independence

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SO User Reactions

- Likes
  - Improvements in service levels
  - Breadth of vendor expertise
- Dislikes
  - Minor operational service problems
  - Poor communication

E-SO-56

INPUT

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SO Market Trends

- Increasing market for transition management
- AS/400s become subject to systems operations
- Development of existing client base beyond renewal

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E-SO-57

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